

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3893
ANSWERED ON:17.08.2001
FALL IN THE PROFIT OF IDBI
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Will the Minister of FINANCE be pleased to state:

- (a) whether there has been a steep fall of 65% in the net profits of IDBI during the last year;
- (b) whether the non-performing assets (NPA) of IDBI has also risen to more than 15 percent from 13.4% earlier; (
- (c) whether in order to revive the health of IDBI, government propose to bring forward a legislation permitting quick foreclosure and liquidation of bankrupt businesses, as presently defaulting companies are taking shelter under BIFR; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a): IDBI's profit after tax declined by 27% to Rs.691 crores in 2000-2001 from Rs.947 crores in 1999-2000.
- (b): Net NPAs of IDBI rose to 14.8% as on 31.3.2001 from 13.4% of the net advances as on 31.3.2000.
- (c) & (d): The Expert Committee under the Chairmanship of Shri T.R.Andhyarujina, former Solicitor General of India has inter alia made recommendation for enactment of Law empowering banks and financial institutions for taking possession and sale of securities of defaulting borrowers without the intervention of the Court. A Working Group has been set up in October, 2000 to examine the recommendation and submit its report.